## Stanley E. Levine 1700 Grant Building Pittsburgh, PA 15219

September 29, 2006

Lawrence H. Norton, Esquire Federal Election Commission 999 E. Street, NW Washington, DC 20463 MUR # 583/

Re:

Stanley Levine v. Rick Santorum, Softer Voices, Board Members of Midge Decter; Heather Higgins, Nina Rosenwald, and Lisa Schiffren; Advisory Board Members of Giovanna Cugnasca, Judy Kudlow, and Adele Malpass; and Custodian of Records Cynthia Young-Palmer

Dear Mr. Norton:

Enclosed please find a Complaint in the above-referenced matter.

Sincerely,

Stanley E. Levine

SEL/cmk
Enclosure

CESTO OF

## **COMPLAINT TO:**

Lawrence M. Norton, Esq. General Counsel Federal Election Commission 999 E Street, N.W. Washington, DC 20463

## **COMPLAINANT:**

Stanley E. Levine 1700 Grant Building Pittsburgh, PA 15219

## **RESPONDENTS:**

Rick Santorum
One Tower Bridge
Suite 1440
West Censhohocken, PA 19420,

Softer Voices P.O. Bex 3588 Washington, DC 20027,

Lisa Schiffren
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027,

Midge Decter
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027,

Nina Rosenwald Board Member, Softer Voices P.O. Box 3588 Washington, DC 20027,

Heather Higghs
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027,



Giovanna Cagnasca
Advisory Board Member, Softer Voices
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027,

Giovanna Cagnasca Advisory Board Member, Softer Voices Board Member, Softer Voices P.O. Box 3588 Washington, DC 20027,

Adele Malpass
Advisory Board Member, Softer Voices
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027, and

Cynthia Young-Palmer
Custodian of Records, Softer Voices
Board Member, Softer Voices
P.O. Box 3588
Washington, DC 20027,

MUR # 583

### COMPLAINT

Complainant brings this complaint against Rick Santorum; Softer Voices; Board Members Midge Decter, Heather Higgins, Nina Rosenwald, and Lisa Schiffren; Advisory Board Members Giovanna Cugnasca, Judy Kudlow, and Adele Malpass; and Custodian of Records Cynthia Young-Palmer (collectively, "Respondents"). The facts indicate that Respondents failed to register and report as a political committee with the Federal Election Commission and accepted excessive and illegal contributions; the facts also indicate that the communications paid for by Softer Voices were coordinated with – and therefore constitute excessive and illegal in-kind contributions to – Rick Santorum.

## I. FACTS

Softer Voices is organized under section 527 of the Internal Revenue Code. It files forms 8871 and 8872 with the Internal Revenue Service, disclosing its contributions and expenditures.

On September 20, 2006, Softer Voices filed an FEC Form 9 with the Federal Election Commission, reporting electioneering communications. That report included disclosure of a \$400,000 contribution from John Ini. Templeton, Jr., and a \$250,000 contribution from Foster Freiss. On September 26, Softer Voices filed two more FEC Form 9 reports. The first disclosed a contribution from Frank Hanna for \$25,000, and a contribution from Rob Arkley for \$100,000; the second disclosed a contribution from Carl Lindner for \$150,000.

All FEC Form 9 reports filed by Softer Voices indicate that the disbursements are for two television advertisements, entitled "Family" and "Who I Am Today." The three reports include a combined disbursement total of \$903,149.12 for these advertisements. According to the forms, these advertisements reference both Rick Santorum and Bob Casey, Jr. Rick Santorum and Bob Casey are candidates for the United States Senate from the Commonwealth of Pennsylvania.

Among the disbursements listed in the September 20 report is a \$1,000 payment to "InterCollegiate Stadius Institute." The purpose of the sisbuscement is listed as: "Perchase Right[s] to Excerpts "It Takes A Family." "It Takes a Family" is the title of a book by Rick Santonum; its publisher is the InterCollegiate Studies Institute.

The storyboards of the Softer Voices advertisements are attached. There are two versions: a 60-second and 30-second version. In the longer version, while discussing welfare reform, it claims that "Bob Casey opposed these important and successful reforms." It goes on to interview a former employee of Rick Santorum discussing Santorum's welfare to work program. The advertisement prominently features Santorum's picture and name throughout the advertisement, and it ends with the slogan "Rick Santorum: Caring For All Our Families." In the sherter version, Bob Casey is not mentioned. The former employee is interviewed, and it ends with the slogan "Rick Santorum: Provides Flage."

The former employee interviewed is Billy Jo Morton, whose story is told in Santorum's book. The passage from the book describing Ms. Morton is, in fact, featured on the homepage of the Softer Voices website. (See attached screenshots of the website and extended passage.)

### II. LEGAL ARGUMENT

Softer Voices has made expenditures in connection with a Federal election, in clear violation of 2 U.S.C. § 441b(a). It has failed to fale with the Commission as a political committee. And it has coordinated its communications with Rick Santarum, making an almost \$1 million in-kind contribution to his campaign to be re-elected to the United States Senate.

## A. The Advertisements Are Political Expenditures

The term "expenditure" is defined as "anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A). The advertisements sponsored by Softer Voices are unquestionably for the purpose of influencing the United States Senate election in Pennsylvania. In the September before the election, Bob Casey is mentioned negatively, and Rick Santorum is described in glowing terms, including in the sloggers "Rick Santorum: Caring For All Our Families" and "Rick Santorum Provides Hope."

All Bus Cassy and Rick Samments have in communication is the experience general election.

The advertisements have "no other reasonable meaning them to urge the election or defeat of one or more clearly identified candidate(s)." 11 C.F.R. § 100.22(a). These advertisements can "only be interpreted by a reasonable person as containing advocacy of the election" of Rick Santorum.

Id. § 100.24(b).

## B. Softer Voices Has Failed to File with the Commission

Groups of persons who make expenditures in excess of \$1,000 in a calendar year are required to register with and report to the Federal Election Commission as political committees.

See 2 U.S.C. § 434(4)(A). Softer Voices files under section 527 of the Internal Revenue Code as a "political organization." 26 U.S.C. § 527(a). It has spent well over \$1,000 on efforts to influence a Federal election; it is therefore a political committee under federal law, and spent

obey the reporting requirements of a political committee. It has failed to register with the Commission and file disclosure reports.

## C. Softer Voices Has Accepted Excessive Illegal Contributions

Contributions to nonconnected political committees that are not political party committees are limited to \$5,090 per year. 2 U.S.C. § \$41a(1)(C). Softer Voices has accepted committees totaling \$925,000 in contributions given in amounts larger than this limit.

Subtracting the \$5,000 that could have been given legally by each of the five contributors, Softer Voices has accepted \$900,000 in illegal contributions.

#### D. Softer Voices Has Coordinated with Rick Santorum

Contributions to candidates from individuals, political committees and other entities are limited to \$2,100 per election, except for political party committees and multicandidate committees.\(^1\) 2 U.S.C. \(^5\) 441a(a)(1). Under Commission regulations, a communication that is "coordinated with a candidate" is treated as an in-kind contribution. 11 C.F.R. \(^5\) 109.21(b)(1). A coordinated communication must meet both the "content" and "conduct" prongs of 11 C.F.R. \(^5\) 105.21. It is unquestioned that the Softer Voices advertisements meet the "content" prong, because that are public communications that refur to a clearly identified conducte; thuy are distributed within 90 days of the election; and they are directed to voters in the jurisdiction in which the candidate is on the ballot. See id. \(^5\) 109.21(c)(4). The "conduct" prong is satisfied if a communication is produced at the "request or suggestion of a candidate," or at the suggestion of someone else if the candidate "assents to the suggestion," or if a candidate "is materially involved in decisions regarding" its content or distribution. See id. \(^5\) 109.21(d)(1)(2).

Rick Santorum is the author and copyright holder of "It Takes a Family." His publisher, InterCollegiate Studies Institute, sold the rights to excerpts from his book to Softer Voices. It is

<sup>&</sup>lt;sup>1</sup> Though Softer Voices is a political contraittee, it is not a multinandidate committee because it has not been registered with the Commission for six months. See 2 U.S.C. § 441a(a)(4).

extremely likely that Santorum, or agents of Santorum or his campaign, were aware of and consented to the sale of rights to Softer Voices, which then used those rights to publicize the story of Ms. Morton to help Santorum's re-election effort. The awareness and consent of Santorum or his agents constitutes assent to a suggestion for purposes of the coordination standard; it also constitutes material involvement in the content of the advertisements.

The facts indicate that Santorum containated with Softer Voices to air advertisements regarding a passage in his back. Therefore, the costs of the resulting communications – over \$900,000 so far – are excessive in-kind contributions to Santorum's campaign.

## III. REQUESTED ACTION

As we have shown, the respondents have violated the Federal Election Campaign Act.

Accordingly, we request that they be enjoined from further violations, be required to repay their illegal contributions and be fined the maximum amount permitted by law.

Sincerely,

Hawley bevou

SUBSCRIBED AND SWORN to before me this 20 day of 2001.

My Commission Expires:

august 10, 2008

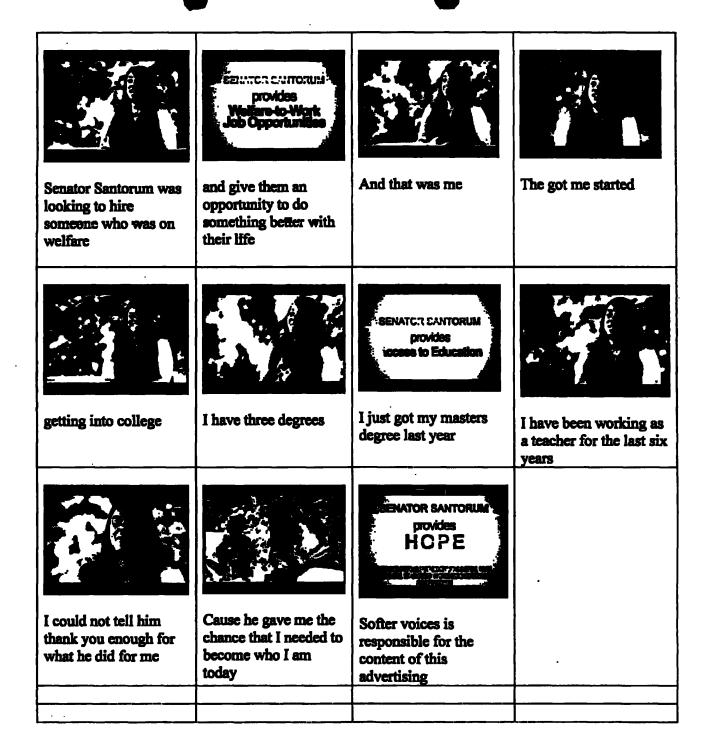
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City Of Pilinburgh, Allegheny County

Member Pennsylvania Association Of Notaries



Welf<u>are Reform</u>
Reduced Welfare Cases
by nearly 60%

Welfare reform has moved millions of people from welfare to work



However Bob Casey opposed these important and successful referms



Senator Rick Santorum not only helped author and pass the historic welfare to wask legislation, he even went one step further



I was really hopeless, basically



When I found out about the opportunity that Senator Santorum was offering, I went for it



You know, who would think a Senator was looking to hire someone who was in my situation



I loved working in the office



And Actually they got: started, um, getting inte college



I have three degrees



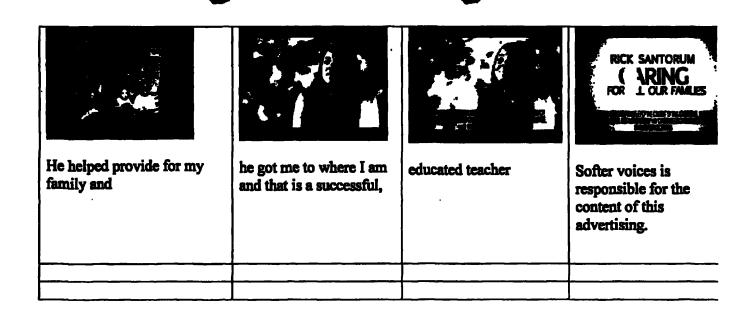
I just got my masters degree

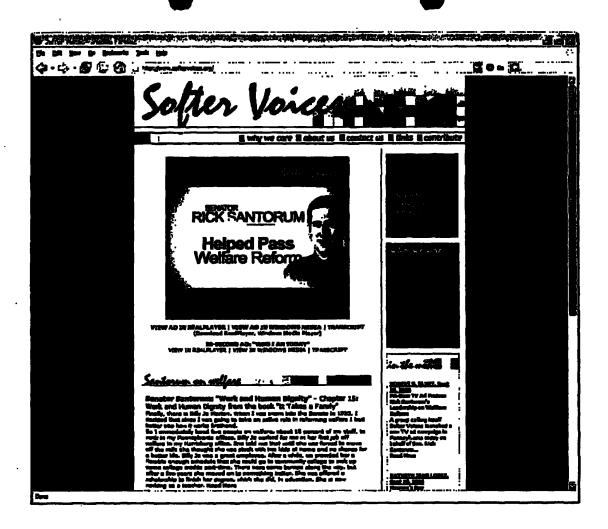


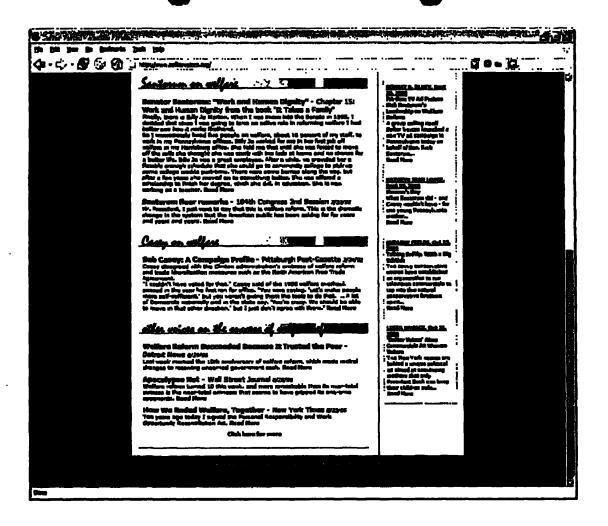
last year and I have been working as a teacher for the last six years



Senator Santorum and I staff cared about me







## XV

# Work and Human Dignity

It was the power of work that we Republicans insisted on when welfare reform legislation was finally passed in 1996. AFDC was scrapped and replaced with Temporary Assistance for Newly Families (TANF). Recipients were required to wark or participate in work-related activities. For ties first time, unifare was time limited: no more able-bipdied welfare lifem.

Liberals bowled. The Urban Institute released a study predicting that the bill would cause 2.6 million persons to fall below the poverty line, and that 1.1 million of those impoverished would be children. There were no jobs for these people, Democrats screamed. But the liberal critics miscalculated a bit.

Yes, welfare reform moved millions off welfare. The rolls have been more than cut in half. But what made this legislation a groundbreaking success was that it moved parents off the welfare rolls and into work. This cuform spanked one of the greatest increases in employment of low-skill workers in United States history. "The Census Bureau shows unequivecally that, in turns of employment, one of the biggest demographic changes and most rapid ever in the history of the United States for any group, is this huge increase in employment by these low-income, poor

mothers. And the biggest impact was on never-married mothers." Ron Haskins notes.

There are about one and one-half million mothers who used to be on welfare who are now working. They are working because we required them to work and then thanks to the work incentives we unceted (expansion of the Easted Income Tax Credit, children and managementation funding, job training and counteiling), low-skill, low-wage mothers were financially better off working than being on welfare. It was almost that simple. And once they got off the dependency treadmill and into the workplace, we made sure the support was there to make work work for them.

Research has shown that in every state in the union, a mother working half time at minimum wage is still better off than if she were on welfare. And these women aren't making minimum wage (\$5.15 per hour). They are averaging somewhere around \$8 per hour.

If you look at the income data for single-mother-handed families starting in about 1993, it looks like a hig "X." Income from food stamps, housing assistance, and welfare payments is a diagonal line heading down. Income from wages and earnings, plus the Earned Income Tax Credit (EITC), is a diagonal line heading up. And overall, these families are better off in constant dollars by 20 to 25 percent.

The village elders in Congress, who refuse to accept that they were wrong, always dismiss this success story by crediting the bottoning economy of the late 1920s: in their minds it was all a historical flake. Wrong again. If the success of welfare reform was she to the rouring economy of the 1990s, then we should have seen welfare caseloads going down after the recession ended in 1991, before we enacted welfare reform. But the caseload had in fact exploded, increasing every year from 1989

to 1993 (from 3.77 to 4.98 million people), even when the economy rebounded. It began to decline in 1994 mostly because of welfare reform efforts undertaken by the states. We also should have seen caseloads rising again during the recent recession, which began in March 2001. While the caseless did rise slightly during the fait of 2001, by April 2002 the number of families was still lower than the previous April by 34,698.

Farthermore, geoundbrusking research by June E. O'Neill (the Democratic fearmer director of the Congressional Budget Office) and M. Anne Hill shows that half or more of the drop in welfare rolls after 1996 was due to the policy changes made by welfare reform. Less than a fifth was due to the overall economy.

But for some liberals that's still not enough. They cannot accept that having people get up each day and work is good and changes lives. They claim that all we are doing is putting people in dead-end jobs. Their doctrine of No-Fault Froedom leads them to believe that a person can't truly be from if she is in a joir that is "going nowhere." Naver mind the traditional view that all work is enrobling if done well, or that an individual can only perform the jobs for which she has the necessary skills. According to liberals, every person deserves a "living wage" regardless of her contribution to a given enterprise.

Prior to 1996, the village elders asked the American people to pay for programs that fed, housed, clothed, and provided free medical cure to mothers who were not working. Now those proponents of Mo-Fauit Fondons believe that taxpayers should pay for four years of college for those who cannot get "good" jobs, even as most American working parents struggle to put their kids through college. I acq all for providing women on welfare with basic training so that they can take entry-level jobs, but beyond that I believe that they should provide for their education under the same circumstances as everyone else—through

a combination of financial aid, loans, savings, hard work, and sacrifice. In other words, they must earn it.

Liberals, on the other hand, want to amend the welfare reform law so that tex dollars can be used to pay for the tuition of welfare recipients who want to go to college for four years. And not only do they want to pury for college for purple on welfare, they also want to munt going to oblege as a week-related activity.

First the notion that college education is a cost-effective way to help poor, low-skill, unmarried mothers with high school diplomas or GEDs move up the economic ladder is just wrong: both according to common sense, and according to social science research.

When we pushed the welfare reform law through in 1996 we were purposefully heavy on work and light on education. That's because education and training programs have not been shown to lead to job advancement for mothers on welfare. Data show that suchtage emigients who are put in jobs sen their camings increase twice as fast over five years as welfare recipients who are put in education programs before going into work. For low-skill jobs, employers want people who have proven they can show up for work on time, work a full day, handle real-life work experiences, and deal with a boss and fellow employees. Remember when you were looking for that first job, and all your prospective employers wanted someone with experience instead? As a result of TANF, welfare clients are getting the experience and know-how employers want. Job experience is the key to future advancement and ontormatics.

Not only did welfare reform improve the economic lest of welfare recipients—which of course helped keep families together, contrary to liberal predictions—it strengthened families in other ways as well.

For example, after a steady decline for many years, since

1996 the number of African-American families headed by a married mother and father has *increased* by about 520,000. In 1994, the year states began reforming welfare, the birth rate of unmarried teenage girls peaked at 45.8 children born per 1,600 girls. The rate has drapped every year since, and in 2001 it stood at 37 per 1,000. For white teenage girls there was a drop from 35.8 in 1994 to 31.3 per 1,000 in 2001.

For biack unmarried transgers the drop was dramatic, from 99.3 per 1,000 in 1994 to 69.9 in 2001. In addition, the percentage of out-of-wedlock births among all blacks dropped between 1995 and 2000 for the first time since the early 1950s. Changing expectations for young girls from poor homes from dependency to hard work and a five-year time-limit on benefits changed behavior for the better.

Statistics are telling, but nothing tells the story like the young mother who spoke to me at a hearing on the progress we had made with welfaur reform. She recommed that when she got her first paychack, her children were unusually sucited to go to the store. When she asked them why, they said that they couldn't wait to go to the checkout line and not feel shame as people stared at them for using their food stamps. Self-respect is being restored.

Another young man told me that he had gained renewed admiration for his mother for holding it all together—her job, their house, and her children. He never thought she could de it. Respect for others is being restored.

Finally, there is Rilly Jo Morten. When I was severe into the Senate in 1995, I decided that since I was going to take an active role in referming welfare. I had better see how it works firsthand. So I immediately hired five people on welfare, about 10 percent of my staff, to work in my Pennsylvania offices. Billy Jo worked for me in her first job off welfare in my Harrisburg office. She

told me that until she was forced to move off the rolls she thought she was stuck with two kids at home and no chance for a better life. Billy Jo was a great employee. After a while, we provided her a flexible enough schedule that she could go to community college to pick up some college cruditt past-time. There were some bumps along the way, but after a few years she moved on to something better. She was offessed a schularship to finish her degree, which she did, in aducation. She is now working as a teacher. Hope is being restored.

This is what happens when you have enough faith in everybody to rise to take responsibility for their lives and to make the right choices. With welfare reform, the government stopped enabling destructive behavior. We changed the paradigm for unmarried women: having children no longer means life-long government support, but rather (as it should) work and sacrifice.

Recall for a minute those powerty figures I mentioned conlier: they changed two, but men in the way the Urban Institute or Rep. Charles Rangel predicted. Congressman Rangel had said our bill "will devastate programs for the powest among us, especially our children," and that it was "a moral outrage and an affront to the basic tenets of every religion. . . . The bill is the most radical and mean-spirited attack against the poor that I [have] witnessed." Now the percentage of all American children Eving in poverty was, at the time of his statement (1995), 20.8 percent. By 2001, it had dropped to 16.3 percent. For black children, the figure was 41.9 percent in 1985. In 2002 it most at 30.2 percent, the lawest figure ever semanted.

It's worth dwelling on this last fact. This conservative approach, which thinks in terms of families instead of mere individuals and puts work and responsibility first—this approach that was and still is consemned by every national liberal organization that purports to represent the interest of blacks—

lowered black poverty among children to its lowest level ever. Is the national leadership of the NAACP paying attention? Many of these national leaders, unlike many of their members, may see but not believe because they are liberals first, Democrats second, and advocates for African-Americans only because it gives them cachet with other liberals and Democracs.

There's only one conclusion to draw from all this. Before 1996 welfare was a mammeth federal income-transfer program that, while it was certainly not designed to do so, acted as a huge barrier between low-income families and the U.S. economy. Our economy had the jobs for unmarried women on welfare. The problem was, the liberal welfare programs neither encouraged nor required poor mothers to get anywhere near those jobs—until we pushed through welfare reform.

I GAVE YOU A REW anemdotes earlier, but this story will give you a better understanding of what has happened since 1996. It is the story of Michelle Turner.

Michelle came to work for us in 1996 as a staff assistant in Philadelphia. Prior to that, she had been on and off welfare for about five years. She had left home as a teenager, mostly because she never got along with her father. She ended up living with a man who would be the father of her first two children, both girls.

"He never actually hit me," she says today. "But he put his hands an ner. He'd grab me, threaten zee. There was shoving, name-calling, verbal abuse. He was cheering, doing the whole thing. I remember sitting on the bed one day in the afternoon. I knew he would be home from work in about 15 minutes. And my hand started visibly shaking because the stress was so bad. When I saw that, I packed up my two daughters and left."

Michelle ended up in a Philadelphia shelter for recovering substance abusers—something she wasn't, but it was the only place she could go. "I decided to stay there until I could afford my own place. As a means of getting out of the building and off welfare, I took a class at Drexel University in automated office training, and then fixed up my resente, which warn't too hard because i had some college.

"I just had to get off welfare. The people at the welfare office who would give you the check, their attitude was that it was their money. They would talk to you in such a demeaning manner. Plus, it wasn't enough to live on.

"So I ended up getting an internship at the People's Emergency Center, a domestic abuse shelter, as part of their welfare-to-work program."

From there, Michelle took a job as a staff assistant in my office—in her words, she became "a glorified receptionist." Soon, she became a commorfeer and eventually she became our Director of Constituent Services. She's been married since the spring of 2000, giving birth to a third daughter. In 2003, after since years, she left our office to take a job at Drexel, where she is the administrative assistant for a surgeon. She and her husband just bought a new house.

When asked how her life would have been different if she had stayed on welfare instead of getting a job, she quickly answers, "I would probably be married, but I probably would have repeated what I had found myself falling into—an abusive relationship. I never would have curled up wanking in a Sermet affian, and never would have had the confidence to get a good husband and lany a house. I would have ended up in some dead end."

The power of work, and people who believed in her, gave Michelle Turner the break she needed. She did the rest herself.